

Message Text

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TAGS: EFIN, EIND, HA

SUBJECT: DUPONT CARIBBEAN

REF: STATE 103655

1. SUMMARY. A REVIEW OF CLAIM BY PIERSON THAT GOH HAS BEEN "UNJUSTLY ENRICHED" BY CANCELLATION OF THE DCI CONTRACT INDICATES THAT (A) GOH IN MANY CASES NEVER RECEIVED THE BENEFITS ITEMIZED BY PIERSON IN HIS LETTER; (B) IN AREAS WHERE IT MIGHT BE ARGUED THAT GOH DID RECEIVE SOME BENEFITS, PIERSON'S ESTIMATE OF VALUE IS GREATLY EXAGGERATED; AND (C) IN THOSE CASES WHERE A VALUES CAN BE PLACED ON THE BENEFIT, TRANSLINEAR OR OTHER COMPANIES CAN BOTH LOGICALLY AND LEGALLY CLAIM CREDIT FOR THE INVESTMENT. KEY DOCUMENTS ARE PIERSON'S TORTUGA PROGRESS REPORT DATED OCT. 5, 1972 AND THE CONTRACT BETWEEN DUPONT CARIBBEAN AND TRANSLINEAR SIGNED ON APRIL 12, 1972.

2. BENEFITS RECEIVED BY GOH - TO THE BEST OF THE EMBASSY'S KNOWLEDGE, THE GOH HAS NOT RECEIVED ANY FRUITS OF PIERSON'S RESEARCH INTO FREEPORT DEVELOPMENT (REFTEL PARA A-1), AND THE ONLY LAND SURVEY OR DEVELOPMENT REPORT PROVIDED TO GOH WAS A SMALL 20 PAGE PAMPHLET ENTITLED "PRELIMINARY PLANNING REPORT" PREPARED BY THE FIRM OF HELLMUTH, OBATA AND KASSABAUM. IT IS CONSIDERABLY HARDER TO DISPROVE PIERSON'S CLAIMS ON DIRECT AND INDIRECT ECONOMIC BENEFITS (REFTEL, PARA 17, C & D). HOWEVER, EMBASSY FINDS IT DIFFICULT TO ACCEPT CLAIM THAT PIERSON-SPONSORED VISITORS

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SPENT AS MUCH AS \$200,000 IN HAITI. THERE HAS CERTAINLY BEEN

NO SUBSTANTIAL INFLOW OF NEW U.S. PRIVATE INVESTMENT INTO HAITI IN THE PAST FOUR YEARS LET ALONE INVESTMENTS WHICH CAN BE CREDITED TO PIERSON'S NEWSPAPER ARTICLES. IF ANYTHING, EXPERIENCE WITH DCI/GOH CONTRACT WOULD SPECIFICALLY DISCOURAGE BILATERAL AND MULTILATERAL LENDING AGENCIES, WHILE THE FEUDING BETWEEN DCI AND TRANSLINEAR AND PIERSON'S STATEMENTS TO THE PRESS AND U.S. CONGRESS THROUGHOUT 1973 AND 1974 WOULD, IN THE EYES OF U.S. PRIVATE INVESTORS AND BANKS, MORE THAN COUNTERACT THE VERY LIMITED FAVORABLE PUBLICITY ORIGINATED BY PIERSON IN 1971 AND 1972.

3. VALUE OF WORK ACCOMPLISHED - PIERSON'S CLAIM THAT RESEARCH, PLANNING, ETC. CAN BE VALUED AT \$2.25 MILLION IS CONTRADICTED BY HIS OWN PROGRESS REPORT WHICH NOTES SPECIFICALLY THREE PAYMENTS IN THIS AREA: (A) \$35,840.00 TO WILLIAM STACKHOUSE AND ASSOCIATES FOR SURVEY AND PRECONSTRUCTION SITE LAYOUT; (B) \$1,860.00 TO CHEE-A-TOW COMPANY FOR SURVEY AND TOPOGRAPHY ANALYSES; AND (C) \$39,062.77 TO HELLMUTH, OBATA AND KASSABAUM FOR MASTER LAND USE PLANNING. WITH RESPECT TO PHYSICAL IMPROVEMENTS, WHICH PIERSON CLAIMS SHOULD BE VALUED AT \$2 MILLION, SAME PROGRESS REPORT INDICATES FOLLOWING INVESTMENTS: (A) AIRPORT CONSTRUCTION AND MAINTENANCE, \$37,775.48; (B) ROADS, RUNWAY IMPROVEMENTS, MARINE LANDING SITE, OTHER PUBLIC WORKS (INDIAN RIVER CONSTRUCTION COMPANY), \$150,000; AND (C) ELECTRIC POWER GENERATOR, \$507.05.

4. TRANSLINEAR CLAIM - TRANSLINEAR CAN, IN THE EMBASSY'S VIEW, CLAIM CREDIT FOR THE INVESTMENT CITED IN PARAGRAPH 3 ABOVE. IN THE APRIL 12, 1972 CONTRACT BETWEEN DUPONT CARIBBEAN AND TRANSLINEAR, THE SELLER, I.E. PIERSON, AGREED TO CONVEY TO THE PURCHASER, I.E. TRANSLINEAR, " ALL THE WORK PROJECT NOW IN EXISTENCE INCIDENT TO THE DEVELOPMENT OF THE LAND INCLUDING BUT NOT LIMITED TO THAT WORK HERETOFORE PERFORMED BY HELLMUTH, OBATA AND KASSABAUM. THIS WOULD APPEAR TO COVER THE LAND SURVEY AND DEVELOPMENT PLANNING AS WELL AS THE FIRST STAGE OF THE AIRPORT WORK. THE CONTRACT THEN PROVIDES THE PURCHASER (I.E. TRANSLINEAR) "WILL BUILD AND INSTALL, OR CAUSE TO BE BUILT AND INSTALLED, WITHOUT COST TO THE SELLER, ROADS, STREETS, UTILITIES AND AIRPORT UNDER THE DIRECTION OF HELLMUTH, OBATA AND KASSABAUM". THIS COVERS THE WORK UNDERTAKEN BY THE INDIAN RIVER CONSTRUCTION COMPANY. (CONFIRMATION OF THIS IS CONTAINED IN THE PIERSON PROGRESS REPORT, PAGES 14-15 WHICH CITES THE CONTRACT BETWEEN TRANSLINEAR AND INDIAN RIVER CONSTRUCTION LIMITED OFFICIAL USE

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